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UNITED STATES GOVERNMENT

Memorandum

TO : Chief, Benefits and Services Division,
Office of Personnel

DATE: 16 April 1962

FROM : Chief, Audit Staff

SUBJECT: Federal Information Return Form 990 for
Government Employees Health Assn., Inc.
Year Ended 31 December 1961

1. At your request, we have prepared subject form for calendar year 1961. As in the past, the return was based on the books of the corporation, adjusted to correct bookkeeping errors and to record investment income in the year received. All balances and transactions pertaining to the special trust fund have been omitted from the return.

2. A pencil draft of subject form is attached.



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Attachment
Original - Addressee

1. Typed copy for form in
minute Book
2. one copy to Mr. Audit Staff
3. original to Internal Revenue
4/19/62
JH

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UNCLASSIFIED	CONFIDENTIAL	SECRET	
CENTRAL INTELLIGENCE AGENCY OFFICIAL ROUTING SLIP			
TO	NAME AND ADDRESS	DATE	INITIALS
1	C/BSD/OP	19 Jan	[Signature]
2	C/Audit Staff		
3	5 E 28 HQ		
4			
5			
6			
	ACTION	DIRECT REPLY	PREPARE REPLY
	APPROVAL	DISPATCH	RECOMMENDATION
	COMMENT	FILE	RETURN
	CONCURRENCE	INFORMATION	SIGNATURE
Remarks: <p style="text-align: center;">This is the usual procedure; Audit Staff prepares GEHA tax return.</p>			
FOLD HERE TO RETURN TO SENDER			
FROM: NAME, ADDRESS AND PHONE NO.			DATE
			1/17/62
UNCLASSIFIED	CONFIDENTIAL	SECRET	

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- years and specifically showing the amount and rate of dividends paid on each class of stock.
- (4) A statement accounting for all material changes from the latest dates of the aforesaid statements to the date of filing the information.
- (5) A schedule showing the nature and amounts of the

- various assets in the trust fund.
- (6) A statement setting forth the amount invested in the stock or securities of the employer, or a corporation controlled hereby, and the debtor, purchaser, or vendor, if another, the nature of the investment, the present rate of return, and the reason for the investment.

GENERAL INSTRUCTIONS

1. An annual statement of gross income, receipts, disbursements, etc., on this form, is required by law of every organization which is exempt from tax under section 501 (a) of the Code of 1954, excepting only—(1) a fraternal beneficiary society, order, or association described in section 501 (c) (8); (2) an organization described in section 501 (c) (3) (see Form 990-A); (3) a religious or apostolic organization described in section 501 (d) (required to file Form 1065); (4) a stock bonus, pension, or profit-sharing plan which qualifies under section 401 (a) (see Form 990-P); or (5) a corporation described in section 501 (c) (1), if wholly owned by the United States or any agency or instrumentality thereof, or a wholly owned subsidiary of such corporation.

2. This form shall be prepared in accordance with the method of accounting regularly employed in keeping the books of your organization.

3. Fill in the lines on pages 2 and 3 of this form to the extent that they apply to your organization.

4. A group return on this form may be filed by a central, parent, or like organization for two or more local organizations which (a) are chartered by, or affiliated or associated with, the central organization at the close of the central organization's annual accounting period, (b) are subject to the general supervision and examination of the central organization, and (c) are exempt from tax and are described by the same provision of section 501(c) as the central organization. Each local organization annually must authorize the central organization to include it in the group return and must also annually file statements verified under oath or affirmation with the central organization of the information required to be included in the group return. The group return shall be in addition to the separate return of the central office organization but in lieu of separate returns by the local organizations included in the group return. There shall be attached to such group return schedules showing separately (a) the total number, names, and addresses of the local organizations included, and (b) the same information for those not included therein. Prior to, or simultaneous with, the filing of a group return, the central organization must notify each district director for the district in which is located the principal place of business or principal office of each local organization included in or excluded from such group return that the local organization has or has not been, or will or will not be, included in such group return. The filing with each district director concerned of a copy of the schedules listing the organizations included in and excluded from the group return constitutes notice as required by the preceding sentence.

5. In all cases where line 1 or 2 includes money or property amounting to \$3,000 or more, and line 3 or 10 includes money or property amounting to \$100 or more which was received directly or indirectly from one person, in one or more transactions during the year, itemized schedules showing the total amount received from

and the name and address of each such person shall be attached to this return. (The term "person" includes individuals, fiduciaries, partnerships, corporations, associations, and other organizations.) Receipts by a "central" organization from organizations included in a group return need not be itemized in the "central" organization's separate return.

6. If the total of income lines 7 and 8 is not more than \$5,000, amounts includible in line 12 through line 19 may be entered under line 21 through line 26 under the appropriate headings. Where sections "A" and "B" must both be completed, items of expense may be divided between these sections on the basis of accounting records, or, if such records do not provide for this division, any items of expense which fall wholly under either of these sections may be divided on any reasonable basis, such as an approximation of the use of a facility or the time spent by an individual.

7. If line 31 does not equal line 11, attach a schedule accounting for the difference.

8. The balance sheets, Schedule A, should agree with the books of account or any differences should be reconciled.

9. In all cases where line 6, Schedule A, includes 10 percent or more of any class of stock of any corporation, attach a list showing the name of the corporation, the number of shares of each type of stock owned (including information indicating whether the stock is voting or nonvoting), and the value of the stock as recorded in the books and included in line 6.

10. Attach a detailed statement showing with respect to each piece of property sold: (a) Date acquired and manner of acquisition; (b) Gross sales price; (c) Cost or other basis (value at time of acquisition, if donated); (d) Expense of sale and cost of improvements subsequent to acquisition; (e) Depreciation since acquisition; and (f) Gain or loss—(b) plus (e) minus the sum of (c) and (d).

11. Organizations required to submit substantially similar statements to any national, State, municipal, or other public officer may submit with the return such statements in lieu of the statements required on pages 2 and 3.

12. **Signature and Verification.**—The return must be signed either by the president, vice president, treasurer, assistant treasurer, chief accounting officer, or other corporate officer (such as tax officer) who is authorized to sign. A receiver, trustee, or assignee must sign any return which he is required to file on behalf of a corporation. The return must also be signed by any person, firm, or corporation who prepared the taxpayer's return. If the return is prepared by a firm or corporation, it should be signed in the name of the firm or corporation. The statement is not required if the return is prepared by a regular, full-time employee.

13. For further information see regulations under sections 6033 (a) and 501 of the Internal Revenue Code.

Form 990-T.—Section 511 of the Code imposes a tax in case of certain organizations described in sections 401 (a) and 501 (c) (2), (3), (5), (6), and (17), on income derived (a) from operation of a business enterprise which is unrelated to the purpose for which such organization received an exemption or (b) from certain rentals from property leased to others on a long-term basis. Such income and tax are to be reported on Form 990-T, copies of which may be obtained from the District Director of Internal Revenue.

Form 990-C.—A Farmers' Cooperative Association exempt from tax under section 521 of the Code is subject to tax as provided in section 522 and is required to file Form 990-C, copies of which may be obtained from the District Director of Internal Revenue.

Form 1099.—Every organization engaged in a trade or business (which includes for this purpose all exempt functions) making payments in the course of such trade or business of interest, rents, commissions, salaries or wages, or other fixed or determinable income (including allowances for expenses) of amounts of \$600 or more during the calendar year shall make returns on Forms 1096 and 1099, except that the making of such return will not be required with respect to the portion of any salary or wage payments reported on Form W-2. (See section 1.6041-1 of the regulations.)

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